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DIARY NOTES

Executive Director-Comptroller



28 July 1965

1. I had several conversations with the Director, Dick Helms, and John Clarke about augmentation of our Fiscal Year 1966 budget. I urged the Director to call Mr. Schultze and insist that if at all possible we be included in the augmented appropriation for the Department of Defense. The Director did this. Also, Dick Helms went to the White House and talked to McGeorge Bundy who suggested that the Director call Mr. McNamara, which he also did. The Director told me that Mr. McNamara assured him that we would get our money one way or another, but that [] was the magic figure. If it is rounded at [] for the Department of Defense, then our request for [] will not be included. If it is not rounded, either more or less, and our [] can be accommodated, it will be. According to the Bureau of the Budget, and I think the White House too, Mr. McNamara is calling the tune.

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2. I talked to [] about the length of the Diary Notes which he sends to me to read each day. I asked him not to send me his full notes but only those items which he thinks I ought to know about.

3. [] gave me a status report on the long-range planning exercise. The gist of it was that they are working hard and have had many briefings by Agency components and officials. However, up to this point they haven't taken too much action except to listen and think. The submissions from the Deputy Directors are due about now and something more concrete should be produced within the next week or so. Jim will brief me once a week on the status of this exercise.

4. Jack Earman told me that Bud Wheelon had requested permission to read a copy of the Inspector General's report on NPIC. I told Jack that, since Bud is the Agency R&D officer and certainly a part of the answer would be in this field, I saw no objection to his reading it. He should not make it available to the DD/S&T area generally, however. In this connection, I asked Paul Borel when DD/I could be ready to meet with me to report on what they are doing, what they agree or disagree with in the IG's report, and what we need to do to bring this complex problem to some ultimate solution. Paul asked for "a couple more days." He will advise me as soon as he is ready to meet.

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5. Bob Bannerman advised me that [] is in the Washington Hospital Center and that it is uncertain as to how soon or if he is going to be well. It is encouraging, however, that he went to the hospital on his own volition.

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6. I met with John Clarke and his people again in preparation for the FPBC meeting tomorrow to talk about cost reduction goals and lower priority analysis. I think we are now ready to have a meeting and are in a position to give the components clear-cut guidance on what we expect in their submissions.

7. John Clarke met with Bob Michaels of Congressman Mahon's staff, as a result of which he reported a number of things.

a. First, Michaels wanted to know whether any money will be included for us [] which they know is coming forward. John told him that we had requested money but had not received a decision from the White House yet as to whether we are going to be included. They seemed to know that there is going to be another big supplemental in January, but in all probability I would guess that the Director might be asked this question when he briefs the Mahon Committee on Friday, 30 July.

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b. Michaels apparently was critical of the fact that the Agency Comptroller does not examine the NRO budget. He also was critical of some of the money that we are spending [] (I need to get into this deeper with John Clarke and see what we need to do to get the Committee off our backs if this is indeed a problem.)

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c. In discussing NRO, NPIC, etc., Michaels said he would like to visit NPIC. This has been arranged for 0900 hours next Monday morning, 2 August.

d. Michaels also advised John that the Committee would definitely want to know on Friday what the Agency is doing to beef up its effort in Vietnam and the adjacent areas.

8. [] was in to discuss the following:

a. He briefed me on a long, detailed study he had just completed on the Agency's role in wartime, what we should do about emergency planning, etc. I telephoned [] and told him that this seemed to be the kind of thing that the long-range planning committee should consider. I asked [] to deliver a copy of his study to []

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25X1 b. [] also explained to me that the package which we received
25X1 from the Office of Emergency Planning a few days ago on REX-66
25X1 was in fact the same exercise that the Department of Defense calls
HIGH HEELS IV. I told [] that I thought our participation in REX-66
should be minimum but extensive enough to avoid any allegation of
non-cooperation with OEP. Our War Plans Staff is, of course, work-
ing with the Pentagon for full participation in HIGH HEELS IV.

25X1 c. I approved of [] going on leave from 2 through 20 August.

9. I talked with Seymour Waxman in General Grothaus' office about the briefing on chemical and biological warfare which they want to give the Director. I told him that I thought the chances of getting the Director to go to their laboratory in Frederick were remote, especially at this time, and suggested that they visit the Agency, after which some of our people might like to visit the laboratory. It was obvious that they were trying to get to the Director personally. (I suppose that we'll have to play the game when we set up the briefing, whether or not the Director has to be absent at the last minute.) I asked Bud Wheelon for any input he may wish to make since either Mr. Waxman or General Grothaus is going to call me next week.

10. Peer de Silva called me about his T/O and I told him that it was my belief that his task force does not need a formal T/O. He and his people are on loan to the task force from their parent components. I see no reason to increase the Agency's ceiling to set up a special T/O, etc., at this point. I have confirmed this with Dick Helms.

11. In a discussion with Bob Michaels as to what kind of presentation the Committee expected next year, Michaels indicated to John Clarke that the Committee was most favorably impressed with the informal give-and-take sessions which have characterized our hearings in the past and that they really do not like the "Air Force-type presentation" with a lot of charts, graphics, etc. This poses a neat problem in view of the Director's interest in graphics and the Madison Avenue approach.

